

BMZ



Bundesministerium für
wirtschaftliche Zusammenarbeit
und Entwicklung



Zukunftsentwickler.
Wir machen Zukunft.
Machen Sie mit.

**Ernährung sichern.
Zukunft ernten!**



What works for rural development in fragile states?

Evidence from Afghanistan, the Democratic Republic of the Congo,
Yemen, Nepal and Bolivia

Published by

giz Deutsche Gesellschaft
für Internationale
Zusammenarbeit (GIZ) GmbH

IDS Institute of
Development Studies

Table of Contents

List of Acronyms.....	5
Executive summary and key findings.....	7
1. Introduction and methodology.....	9
2. Rural development in fragile settings: what works and why	10
2.1. Afghanistan	10
Assessing the effects of SFL on rural livelihoods of small farmer families in Baghlan province	12
Explaining advances in, and limitations of, livelihood support in Baghlan.....	13
2.2. DRC.....	14
Assessing the effects of the ESÜH project on rural livelihoods, food security and social cohesion in Uvira	15
Explaining advances and limitations of the ESÜH project.....	15
2.3. Yemen	16
Assessing the effects of the second, ‘emergency’ phase of SFSP on food security and rural livelihoods in the governorate of Al Hodeidah	18
Explaining advances in, and limitations of, increasing food security and improving rural livelihoods in Al Hodeidah	18
2.4. Nepal	20
Assessing the effects of the Second Rural Water Supply and Sanitation project on rural development in the project areas.....	21
Explaining advances in, and limitations of, rural water and sanitation interventions in Nepal.....	23
2.5. Bolivia	23
Assessing the effects of ‘development with coca’ on rural livelihoods in Chapare.....	25
Explaining advances in, and limitations of, ‘development with coca’ in Chapare.....	27

3. By way of conclusion: comparing rural development advances in fragile settings	28
References	30
About the Authors.	32
Acknowledgements	33

List of acronyms

BMZ- Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung

BTI: Bertelsmann Transformation Index

CBM: Christoffel-Blindenmission

CDCs: Community Development Councils

CFW: Cash-for-work

DDCs: District Development Committees

DLG: Directorate of Local Governance

DRC: Democratic Republic of the Congo

DWSS: Department of Water Supply and Sewerage

ESÜH: Entwicklungsfördernde und strukturbildende Übergangshilfe

EU: European Union

FAO: Food and Agricultural Organization

FBO: Faith Based Organisation

FONADAL: National Fund for Alternative Development

FPR: Final Progress Report

GCRB: General Corporation for Roads and Bridges

GDP: Gross Domestic Product

GIZ: Gesellschaft für Internationale Zusammenarbeit

ICAF: Interagency Conflict Assessment Framework

ICG: International Crisis Group

IDPs: Internally displaced people

IFPRI: International Food Policy Research Institute

IRD: Integrated Rural Development

IPAPPEL: Inspection Provinciale de l'Agriculture, la Pêche et l'Elevage

ISAF: International Security Assistance Force

MAI: Ministry of Agriculture and Irrigation

MAIL: Ministry of Agriculture, Irrigation and Livestock

MAS: Movement toward Socialism

MONUSCO: UN Stabilization Mission in DRC

MOPIC: Ministry of Planning and International Cooperation

NATO: North Atlantic Treaty Organization

NFSS: National Food Security Strategy

NGO: Non-governmental organisation

NSP: National Solidarity Program
ODI: Overseas Development institute
OECD: Organisation for Economic Co-operation and Development
PAD: People's Action for Development
RWSSP: Rural Water Supply and Sanitation Support Programme
SDC: Social Development Committees
SENASA: Service National des Semences
SFL: Small Farmers Livelihoods
SFSP: Sustainable Food Security Programme
SO: Support Organisations
SSRP: School Sector Reform Plan
TDA: Tehama Development Authority
UN: United Nations
VAW: Violence against women
WB: World Bank
WSUC: Water Supply and Sanitation Users Committee
YDP: Yungas de la Paz

Executive summary and key findings

Rural development in many fragile and conflict-affected countries represents both a major challenge and an absolute must. The empirical evidence from five countries in South Asia, the Arabian Peninsula, Sub-Saharan Africa and South America (Afghanistan, Nepal, Yemen, the Democratic Republic of the Congo, and Bolivia) presented in Study I shows the major challenges rural development encounters in fragile settings:

- Extensive rural poverty is both related to (a) significant deficits in state authority, legitimacy and capacity, particularly in settings with violent conflict (and associated external interventions); and (b) persisting high levels of social inequality and ethnic cleavages in states where authority and capacity deficits are less pronounced.
- Social inequalities between rural and urban areas are related to authority and capacity deficits, including the absence of strong, consistent and legitimate political leadership, and an historical urban elite bias.
- The provision of social welfare safety nets by non-state, traditional and customary organizations, including with respect to basic food security in rural areas, is related to state authority and capacity deficits, and deepens existing legitimacy deficits.
- Particularly in fragile settings affected by violent conflict, deficits in state authority result in increased pauperization of rural populations due to the disruption of rural livelihoods and wage-labour migration.
- Uncertain status of land tenure and land ownership in rural areas is related to, and compounded by, deficits in state authority and capacity.

- Ineffective service delivery in rural areas is found in countries with both higher and lower deficits in state authority and capacity, and it undermines state legitimacy.
- Higher levels of violence against women in rural areas are possibly related to deficits in state authority and capacity, particularly because of the absence or weakness of formal justice institutions and the prevalence of traditional and customary authorities.
- Food insecurity in rural regions is significantly affected by state fragility.
- Agricultural prices are subject to significant shocks which further exacerbates levels of rural food insecurity.
- Livelihood diversification in the countries is key to household food security strategies either as a form of survival or as a strategy of accumulation and as the primary means of enhancing household safety nets; this diversification is often dependent on illicit economies.

The present study (Study II) builds on these findings and draws insights from the analysis of five projects that were implemented in the sample countries in the period 2007-2012. The evidence allows for the construction of a cautiously optimistic narrative about rural development and food security interventions in fragile settings that may help policy-makers, both domestic and international, to fine-tune and adjust their future programming. Among the key factors that support positive results and outcomes of rural development and emergency interventions in fragile settings are:

- Substantial engagement and dialogue with local institutions and stakeholders, including traditional and customary ones, in project design and implementation;
 - Adopting a multi-level governance-oriented approach that focuses on building and strengthening relationships between a broad range of local public and private actors and stakeholders at the different administrative levels rather than seeing the state, especially at the central level, as the principal agent and counterpart;
 - Going beyond ‘seed and tools’ interventions by adopting a governance-oriented approach to rural development and addressing food insecurity; an agricultural-technologies-input-only approach is likely to simply consolidate existing relationships of power and patronage where benefits will be accrued and captured mainly by local elites;
 - Focusing interventions on the most vulnerable rural households, including those that form part of lower castes and indigenous peoples but also women and populations living in very remote areas;
 - Providing effective support for the diversification of the income of rural families, including importantly through off-farm labour;
 - In acute food insecurity and emergency situations ‘doing less and doing it quickly is doing more’ – transitioning more development-focused interventions to more narrowly oriented emergency and relief projects is possible and can be the right thing to do, particularly if emergency projects contribute to the achievement of food and livelihood benefits on which future non-emergency interventions can build;
 - Putting the emphasis on establishing the right type of communicative environment by fostering networks of dialogue and communication, strengthening participatory learning and using flexible project timescales;
 - Building on emerging political and social capital in rural areas to foster new forms of governance based on negotiated and consensual approaches, not top-down and in some situations militarized approaches;
 - Understanding the inter-relationships between, on the one hand, a sufficiently ‘localized’, bottom-up approach to rural development that is capable of ‘working with the grain’ and is long-term, and the often unstable and conflict-ridden political and economic macro-context, which inevitably impacts on development prospects in rural areas of fragile states.
- It is paramount to recognize, however, that rural development in fragile and conflict-affected settings is eminently challenging and that there are a number of significant risks and no ‘silver bullets’.
- The emphasis on ‘working with the grain’ and systematically engaging local institutions and stakeholders, including traditional and customary ones, carries the risk of solidifying exclusionary or predatory practices and structures in rural areas, particularly if the role of local state institutions is not well defined or they are not endowed with sufficient administrative and financial capacity.
 - If approaches to rural development become too ‘localized’ they are not able to address macro-level issues that can ultimately undermine their effectiveness.
 - Quickly switching to emergency programming may be the right thing to do when dealing with a food security crisis, for instance, but if this is not accompanied by a strategy to integrate emergency projects with development-oriented interventions once the crisis has subsided little will be achieved in terms of sustainability.

- In illicit drugs contexts (such as in the Chapare region of Bolivia) it appears to be highly advisable to abandon repressive, top-down approaches to coca crop control. But if the empowerment of farmers and their federations and the creation of a new form of negotiated and consensual governance are not accompanied by comprehensive development programs that are backed by the national government and international donors a huge opportunity for rural development will be lost.

1. Introduction and methodology

Asking what works for rural development in fragile states and how rural development can contribute to mitigating fragility the research reviewed existing donor documents and academic and grey literatures on rural development programs in the sample countries covered in Study I: Afghanistan, the Democratic Republic of the Congo, Yemen, Nepal and Bolivia. In consultation with our counterparts in GIZ we have chosen one project per country with the aim of covering a diverse range of scenarios, including food security and emergency projects and rural development in illicit drugs contexts, which would allow us to arrive at useful comparative conclusions. It should be noted that the selection of projects for this study was also guided in part by the availability of project assessments and evaluations, which at times was quite limited. While this study is a stand-alone piece of research, it may be useful to read it against the backdrop of Study I, which provides in-depth analyses of the negative effects of state fragility on rural development in the five sample countries.

The projects analyzed in this study are:

- Afghanistan: ‘Small Farmers Livelihoods and Income Enhancement in Baghlan Province’; funded by a trust fund set up by the Federal Republic of Germany within the UN’s Food and Agricultural Organization (FAO); implemented by the Afghan Ministry of Agriculture, Irrigation and Livestock (MAIL) and FAO.
- DRC: *Entwicklungsfördernde und strukturbildende Übergangshilfe* (ESÜH) project - ‘Reinstating and stabilising the livelihoods of refugees and the local population in the Uvira region; funded by BMZ (Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung - German Federal Ministry for Economic Cooperation and Development); implemented by the Congolese government, GIZ and Christoffel-Blindenmission.
- Yemen: ‘Sustainable Food Security Programme in Yemen (SFSP)’; funded by BMZ; implemented by GIZ and the Hamburg-based GFA consulting firm.
- Nepal: ‘Rural Water Supply and Sanitation Project I and II’; funded and implemented by the World Bank.
- Bolivia: ‘Programa de apoyo al control social de la producción de hoja de coca’ (Support for Social Control of the Production of Coca Leaf Program, PACS); funded by the European Commission and the Bolivian Government; implemented by the Bolivian government together with the regional coca grower federations in the Chapare and Yungas de La Paz regions.

It is generally understood that effective rural development in fragile states and settings hinges on several factors, including: rural development programs and projects are multi-faceted/multi-sectoral and concerned with developing effective partnerships between different economic and institutional actors at the local level; rural producers are empowered through the strengthening of community managed grass-roots organizations, access to productive assets, and increases in technology and markets; and there are more effective, responsive and accountable service organizations established at the local/municipal level. The comparative analysis of the projects in the sample countries presented in this study helps to deepen our understanding of the key factors that play a role in achieving rural development goals in fragile states and settings, including with respect to strengthening rural livelihoods, increasing and diversifying rural income, and improving service delivery and food security.

The research pays particular attention to the interaction between local and national

governments, traditional and customary authorities and institutions, civil society (e.g. farmers associations and coccalero federations), the private sector and international donors in a number of rural development programs (and emergency/food security programs, where applicable) that have been in operation during the 2007-2012 research period. Inevitably, problems of attribution exist in terms of discerning the level of success of a particular program, i.e. issues of causality and program intervention are unavoidably problematic. Consequently, the research attempts to provide contextualized and detailed assessments of the chosen interventions by drawing on existing project evaluation reports and a broad range of academic and policy documents. In addition, for the cases of Yemen and Bolivia the research team contacted experts who had been involved in design and implementation of the food security project (Yemen) and the social control of coca crops project (Bolivia) to obtain further insights. The analysis had to partly concentrate on the uptake of programs where outcome data did not exist.

2. Rural development in fragile settings: what works and why

2.1. Afghanistan

Afghanistan has faced enormous political, security and development challenges for more than thirty years. With varying intensity over time and across the national territory, the country has had to wrestle with long spells of internal armed conflict and insurgency, a large foreign military presence, high levels of poverty, deprivation and food insecurity, a large and growing illicit opium and informal economy, and severe difficulties to build a functioning modern state capable of exercising the monopoly of force, protecting the fundamental rights of Afghan citizens and providing them with basic public services and goods. At the same time, common people, a majority of which live in rural areas, have developed coping strategies to survive under harsh conditions and sought to maintain their livelihoods at the local level. As Adam Pain and Jacky Sutton put it, 'significant

economic and social change that [relates] to the mobilization and consolidation of ethnic and regional identities, regional [and local] economies, the development of shadow and informal economies – of which opium poppy is but one aspect – and deep and unresolved conflicts at multiple levels over resources and identities [has] ... [been a] key [facet] of contemporary Afghanistan' (Pain and Sutton 2007:2).

In this process, local and regional informal, traditional and customary institutions and networks have not disappeared but rather have become more consolidated, particularly in rural areas, contributing to absorbing the shocks generated by violence, conflict and the counter-insurgency and counter-narcotics strategies of the central government in Kabul and outside

military intervention forces (e.g. ISAF). The downside has been that ‘substantial regional seats of power ... supported by political factions [remained] armed and outside of the orbit of Kabul’s influence. In addition, the Coalition operations against Taliban and al-Qaeda, and the tactics involved, including the funding of regional commanders, have contributed to ... instability’ (Pain 2007:20).

80 per cent of Afghanistan’s population live in rural areas and agriculture ‘sustains more than half its gross domestic product’ (Torell and Ward 2010:615).¹ Agriculture has therefore been singled out as a key sector for government policy and international donor assistance (Pain and Sutton 2007: 172). ‘Interventions in the 1990s largely focused on increasing production, with little attention paid to rural livelihoods. Programmes were characterized by a monotony of interventions around seed, fruit trees and other inputs based on untested assumptions of production effects. The post-2001 period [i.e. after the ouster of the Taliban regime] saw the implementation of a classic emergency support programme with its emphasis on seeds and inputs’ (Pain and Sutton 2007: 6).

In more recent years, which roughly fall within our study period (2007-2012), there appears to be a more widespread recognition among the Afghan government and international donors that the ‘seed and tools’ interventions, which have critically been labelled ‘the treadmill’ (Pain and Sutton 2007:174), have been of limited effectiveness with respect to reducing rural poverty and food insecurity. The long-standing assumption that agricultural production increases have a direct, positive impact on the livelihoods of rural populations has been questioned by studies that ‘have shown that this is not necessarily true, particularly where local, entrenched power structures have found ways of gaining control of surpluses’ (Pain and Sutton 2007: 166).

Consequently, more attention has begun to be paid to ‘linking relief, [agricultural] rehabilitation and development through agricultural interventions [which] can best be enhanced by focusing on building up the capacities of, and relations between, key

institutions, particularly those providing, facilitating, regulating and demanding agricultural services’ (Pain and Sutton 2007:186). At the heart of this rethinking of agricultural policy in Afghanistan is the recognition that local institutions matter and that many rural poor have no or only limited access to land and seek to sustain their livelihoods by diversifying income, especially through off-farm work. According to Jo Grace and Adam Pain, ‘the majority of households have diversified income sources and many are involved in a combination of farm and non-farm work. ... Non-farm labour is the most important source of income for poorer wealth groups’ (Grace and Pain 2004: 47, 48). It is estimated that in the mid-2000s some 65 per cent of Afghan farming families were dependent on off-farm income (Pain and Sutton 2007: 171).

However, as noted earlier, one has to be clear that in an unstable, fragile and conflict-ridden context as in Afghanistan local institutions, including traditional ones such as shuras and jirgas, can both enable and hinder rural development. While working with and through local institutions and networks can to a degree compensate for the patent limitations of the formal Afghan state, it is important to critically interrogate the view that on their own they can provide the institutional infrastructure that will support rural development. In this vein, Pain and Sutton point out that ‘there is little indication that shuras are motivated by a genuine desire to engage in cooperative economic activities’ (2007: 182) and hence ‘the sustainability of shura-based community development must be questioned’ (2007: 181). Yet due to the weakness of the Afghan state it has to be recognized that the government and international donors do not have much of a choice than to work with local institutions. Recognition of this is reflected in the fact that the flagship program for strengthening local governance and supporting development in rural areas of the government of President Hamid Karzai (2004 to present) and the international donor community in Afghanistan, the National Solidarity Programme (NSP), has focused on establishing Community Development Councils (CDCs) in some 30,000 villages and rural settlements across the country.

In 2009, the Afghan Ministry of Agriculture, Irrigation and Livestock (MAIL) and the Food and Agriculture Organization of the United

¹ This estimate does not include the illicit opium poppy economy, which, if included, would significantly increase the contribution of agriculture to Afghanistan’s gross domestic product.

Nations (FAO) jointly started implementing the 36-month project ‘Small Farmers Livelihoods and Income Enhancement in Baghlan Province’ (SFL), funded by a trust fund the Federal Republic of Germany set up within FAO. The project had a budget of just over US\$2 million and reflected a shift in emphasis from emergency to development interventions, with a continued emphasis on food security (SFL Final Evaluation Report 2013: 10) The project, which reached completion in 2012, aimed to promote income enhancement for small farmers in the Baghlan province (250 kilometres north of Kabul) through improved farmer’s organization, value addition and market linkage development. It built on lessons learned in the region during the implementation of a previous project also funded by Germany (‘Rehabilitation of the Sugar Industry in Baghlan: Technical and Managerial Support for Small Family Farmer Participation in the Sugar Beet Supply Chain’) and the experiences of FAO in the implementation of livelihoods diversification and enterprise development projects in Afghanistan. Following a two-pronged strategy, the project focused on (a) strengthening farm based organizations (FBOs); and (b) the promotion of value chain integration as a means to enhance production and marketing skills, promote enterprise diversification, develop opportunities for value addition and boost the income of some 2,000 farm families (FAO, Project Document 2008: 1).

We have chosen this particular project because in our view it reflects the above-mentioned shift in approach to supporting agriculture and rural development in Afghanistan by focusing on strengthening organizational, managerial and institutional capacity among poor rural communities and promoting increased farmer value addition and access to markets. The project reached beyond previous ‘seed and tools approaches’ for it was geared toward ‘local organization strengthening – as a crucial turn-key for improving livelihoods of the rural poor. ... The project recognizes that farmers do not act alone ... and will work to bind [farmers and FBOs, various local government departments, NGOs and private sector service providers] into locally-based working partnerships directed at collectively identifying problems and developing and implementing solutions’ (FAO, Project Document 2008:5). In addition, the project explicitly sought to support the diversification of rural livelihood options by promoting a range of cash crops and new products, thereby seeking to

increase the income and food security of small farmers.

Assessing the effects of SFL on rural livelihoods of small farmer families in Baghlan province

According to the final evaluation report (SFL Final Evaluation Report 2013), the project appears to have had a positive effect on improving the food security and livelihoods of small farmers who are members of the 30 cooperatives (FBOs) with which the project worked (ibid: 11). The heads of the cooperatives, which were surveyed as part of the evaluation, reported substantial increases in average general income of the cooperative farmers due to the project interventions (ibid: 38). It appears that improved household food security was achieved in two ways: through a greater variety of nutritious food produced and consumed by farm families; and through an increase in income from selling farm products promoted by the project. Increasing income for cooperative members may also have been related to better marketing and higher product prices (ibid: 39).

Supported by the project, many farmers practised the recommended inter-cropping in their orchards for the first time ever. The resulting diversification of agricultural production has had a positive effect on the livelihood of farmers, who could compensate a poor harvest of one agricultural product with a good harvest of another. Further, farmers saw value-added production in the form of dried or processed fruit and vegetables as contributing to improving their income and livelihoods. It is expected that the 600 orchards that were supported by the project will have a significant positive effect on the lives of the project beneficiaries once the fruit trees reach full production stage. It is likely that this will further boost value-added production (ibid: 39). Further, the project contributed to strengthening human resource capacities in the provincial branch of the ministry (MAIL) and the boards of the cooperatives, as well as the technical knowledge and skills among the better equipped farmers (ibid: 37). Originally, it was foreseen that the project would support 2,000 farmer families, but ultimately a larger number of them benefitted from the intervention (more than 3,200 cooperative members received direct inputs, though some 20 per cent of the whole membership of the 30 targeted cooperatives did not receive any inputs) (ibid:11).

However, there were also several project dimensions and goals that could not be achieved. Significantly, while many individual farmer families benefitted from increased cash income from diversified agricultural activities and products – among them the families of the heads of the cooperatives – the cooperatives themselves could not be strengthened. The evaluation revealed that ‘the objective of self-reliant cooperatives mentioned in the Project document does not seem to have been achieved’ (ibid: 37). The cooperatives’ role remained limited to that of a distributor of externally donated inputs among parts of the organizations’ members, but not all of them. ‘There are hardly any joint economic activities of the cooperatives as such, and the social cohesion of cooperative members does not seem to be particularly strong’ (ibid: 37). Joint cooperative member planning, organization, coordination and control appear not to have been enhanced. The provision of financial services to cooperative members, such as in accessing loans from banks and other lending institutions or using cooperative capital for on-lending to members, was absent (ibid: 24). It appears that these difficulties with respect to strengthening FBOs in Baghlan and getting them to work for all cooperative members were related to the election to the board of the cooperatives, which was perceived by some members as ‘only a symbolic act’ (ibid: 24). Farmers remained under the ‘influence of ex-warlords and traditional leaders (‘maleks’ and ‘qomandan’) and most of these just [pursued] their own interests’ (ibid: 24), dominating cooperative decision-making and the allocation of donor funds.

Explaining advances in, and limitations of, livelihood support in Baghlan

The achievements of the SFL project in Baghlan can be explained by pointing to several factors that were specific to the context and likely quite different and more enabling than in other areas of Afghanistan. To begin with, while Baghlan province has experienced security problems related to the armed conflict, this has been on a smaller scale than in other regions of the country (especially in the south and south-east). The province is partially also quite well connected by road to Kabul and the main regional and national market places, which is not the case in a number of other provinces. Further, Baghlan has a history of farmers’ associations for there used to be cooperatives and organizations of milk

producers along collection chains in the province. ‘Today many farmers still have a sense of institutional membership although most of the institutions have been inactive for many years. New informal groups are emerging as a result of NGO activities. Though they are informal, these arrangements provide a form of self-help organizations. Seed bank associations and other groups formed during the humanitarian relief period [in the 1990s and early 2000s] have almost completely been handed over to Community Development Councils’ (SFL Final Evaluation Report 2013:3). There have also been previous international aid projects in the province that supported income diversification and livelihood strengthening, such as the above-mentioned Rehabilitation of the Sugar Industry in Baghlan project. In short, Baghlan has benefitted from relative security, relatively good infrastructure connections, foreign development assistance and social capital, which taken together appears to have provided an enabling environment for rural development interventions such as the SFL project.

Beyond the specific characteristics of this enabling environment, the project’s focus on promoting a greater variety of nutritious food produced and consumed by farm families and increasing family income through the better marketing of farm products, i.e. a focus on diversifying agricultural production and improving agricultural services, seems on the whole to have had a positive effect on farmer’s livelihoods and food security. Hence, the available evidence indicates that going beyond ‘seeds and tools’ by strengthening human resource capacity and technical knowledge and skills among farmers, and improving market access can explain the project’s relative success.

At the same time, it is important to recognize that essential components of the SFL project, particularly with respect to strengthening local governance for enhancing rural livelihoods and increasing food security could not be achieved. This observation goes back to the point made earlier about the difficulties of ‘enlisting’ local institutions in a rural development effort in a fragile and unstable context, such as in Afghanistan. There the ‘modern’ state’s reach across the national territory is severely limited (due to a number of factors related to limitations

of state capacity, authority and legitimacy)² and it therefore becomes crucial for the state (and international donors) to work with local institutions for there is no ready alternative. This relationship, however, is fraught with problems and uncertainties. Informal, traditional and customary powerholders, which may include militia commanders and war lords, can exercise relatively unchecked control in local affairs, as has been pointed out by some cooperative members in Baghlan. While a key component of the 'modern' Afghan state's effort to establish accountable and more effective local governance and development institutions in Afghanistan's rural areas, the CDCs have also been impacted by local power relations, resulting at times in their 'capture' and at other times in the sidelining or overriding of established traditional and customary governance structures. It is unclear how the farmer cooperatives in Baghlan province and their boards relate to the CDCs in the region.

2.2 Democratic Republic of the Congo

As Study I indicated, "the proportion of the population [currently] living on less than one dollar per day is 70%" (IMF 2013: 370), with a definite rural-urban disparity to this. In the DRC an average of seven out of ten households are categorised as poor whereas eight out of ten rural households are poor, with seven out of ten households poor in urban areas (ibid.:14). Food makes up 62.3% of the expenditure of Congolese households (ibid: 25) with the ratio of "children under five who are moderately underweight decreasing from 31.1% in 2001 to 25.1% in 2007 and 24% in 2010" (ibid: 28). However, this average disguises inequalities both in terms of areas of residence (27% in rural areas and 17% in urban areas) and provinces (ibid: 28).

It is also clear that conflict has exacerbated food insecurity in the DRC, where the incidence of people in acute food insecurity was calculated at about 6.4 million in June 2013, showing an increase of about 75,000 people compared to October 2012 (FAO 2013: 1). Of these "two-thirds [...]" (about 4.2 million persons) are considered severely food insecure and are mostly concentrated in Northern Kivu province in the east and in Katanga province in the south, where the escalation of civil conflict in recent months

severely damaged livelihood systems and caused massive displacement" (ibid.)

Given the high levels of conflict and food insecurity this study chose a *Entwicklungsfördernde und strukturbildende Übergangshilfe* (ESÜH) project - 'Reinstating and stabilising the livelihoods of refugees and the local population in the Uvira region' - as a suitable vehicle through which to discuss to what degree different forms of, and approaches to, rural development work in fragile states. The project's area of intervention is the Uvira region in the eastern province of South Kivu. Its implementation started in October 2009 and is scheduled to end in December 2013. The project has been implemented jointly by GIZ, together with institutions from the DRC (IPAPEL (Inspection Provinciale de l'Agriculture, la Pêche et l'Élevage), SENASEM (Service National des Semences), INERA (Institut National d'Études et de Recherches Agronomiques), REMSU (Réseaux des multiplicateurs de semence à Uvira) and Ministère du Plan) and the International NGO Christoffel-Blindenmission (CBM) Germany, which have a reputation for their work with handicapped people. The total contract volume is EUR 4.52 million.

The central goal of the project is to improve the productive base of Uvira, integrating different social groups in a peaceful way through a participatory approach at the community/village level (GIZ 2013).

The project's specific targets were:

- To support 60% of its participants in increasing their income by up to 25% through agricultural activities and increased production.
- To apply improved agricultural production and management techniques for 40% of the farmer associations and the state service providers.
- To confirm for at least 40% of the population (residents and returnees) that there have been improvements in social cohesion in the communities.

² For more detail on state fragility in Afghanistan and in rural areas in particular see Study 1.

- To have 40% of handicapped people that took part in project activities increase their participation in the peace process.

The rationale of the project is based on key underlying assumptions. Namely, that the DRC has seen armed conflicts for several decades, mostly concerned with struggles over natural resources; consequently, productive infrastructure and local and regional economic cycles have been destroyed and the social cohesion of the population weakened due to migrant flows, refugees, and threats by rebels, the police and the army. The abundance of those natural resources are, in turn, the key to enhanced agricultural productivity and subsequent stability.

While the repatriations of internally displaced people (IDPs) and refugees have mostly been completed (with the support of UNHCR and BMZ), the challenges of integrating the different groups in a peaceful manner and to revive the local economy and production cycles remain paramount.

Moreover, despite the positive natural resource scenario food security is threatened. As with many parts of the DRC the Uvira region shows significant increases in hunger and malnutrition, with access to adequate and diversified nutrition very limited for all vulnerable groups; manioc consumption often remains the only food source for many people. In addition, regional supplies of good quality seeds are sparse and there is a strong need for improved supply as well as improvements in agricultural techniques so that agricultural production is sustainable.

Assessing the effects of the ESÜH project on rural livelihoods, food security and social cohesion in Uvira

During the period of the project 22,000 people in the territory of Uvira were reached (11,660 women and 10,340 men), and there were 6,275 people that directly benefitted from the seed multipliers that were organized in 124 different production associations (GIZ 2013).

Assessments of project performance state a number of achievements. Firstly, seed multipliers increased household incomes by US\$12 (i.e. 21%) in 2011, with poor rural households doing so by US\$22 (i.e. 39%). Consequently, school fees could be paid, health

services could be used and houses could be renovated. For the ESÜH-project, this meant the successful achievement of a stated target of 60% of the supported men and women having increased their income by up to 25% through agricultural activities and increased production. However, it is not clear what is meant by 'poor' households in these instances.

Secondly, the project set a target of at least 40% of the farmer associations and the state service providers applying improved agricultural production and management techniques. Project data suggests rural households have increased the application of increased agricultural techniques from 12% in 2010 to 50% in 2012, with households now eating more meals per day with a wider range of foods on offer. Seed providers now function relatively well in a decentralized manner and are 'close' to the population.

Thirdly, the project also set a target of at least 40% of the population (residents and returnees) estimating that social cohesion in the communities was positive by the end of the project. In the project's view this goal has been partially reached though this has not yet been sufficiently quantified. However, it appears that parties previously in conflict are now undertaking activities together. Finally, the project set a target of 40% of handicapped people who partook in project activities to consequently increase their participation in the peace process. However, actual progress has not been measured at present.

Explaining advances and limitations of the ESÜH project

The most recent Control Mission documents emphasize the use of existing agricultural potential as key to its achievements, essentially through the improvement of seed supply. This was strengthened through the inclusion of all relevant stakeholders from government and civil society, which linked producers, consumers and governmental control organisms (Service National des Semences, SENASEM) with extension/advisory institutions (Inspection Provinciale de l'Agriculture, la Pêche et l'Elevage, IPAPEL). Also important was the targeting of seed supplies to the most vulnerable households, including former returnee families and refugees and female-headed households,

together with their inclusion in local farmer associations, that made it easier to rent land.

It is clear that the marketing of agricultural products supported by the project still lag behind other project targets. Furthermore, the project does acknowledge that the difficult conflict environment in which it has been operating has meant that the necessary time for the specific activities was underestimated, stating that the implementation of project activities required a comprehensive analysis of the interests and local conflict areas close to the project, and of the potential risks to implementation. The “do no harm” approach that attempted to include all groups was not always consistently followed. The three year time frame was seen as being far too short for implementing the proposed activities. Moreover, the population of Uvira was often seen as having an understandable ‘take mentality’ as is often the case in humanitarian crisis contexts. It was further acknowledged that the project did not consistently foster capacities to counter this mentality, through developing more capacity for self-organization. Only since 2010, with advice from PAD (an NGO), did the project react to this necessity and alliances were built in a conflict-sensitive way between the state, civil society and seed producers.

It is also evident that a coherent understanding of social cohesion was needed by the project at both the planning and inception stages. Given the nature of tribal chieftainship control over land interests this need seems paramount in order to assess potential risks. In turn, this would have to be supported by the continuous management of interest groups, negotiation and meaningful feedback processes at the community level. Moreover, the Control Mission found that short and long-term approaches in ESÜH-projects should parallel and connect with one another so that, on the one hand, the urgent needs of vulnerable groups can be addressed quickly (e.g. through the egalitarian distribution of the means of production) and, on the other hand, local structures (state services, seed controlling authority, local administration) that serve as service providers in the long term can be built (GIZ 2013).

2.3 Yemen

Yemen is the only nation in the Arab world classified as a least developed country (Republic of Yemen/MOPIC 2010: 7). Due to high

population growth, acute shortage of arable and irrigated land and an over-reliance on revenues from oil the country has been heavily affected by food insecurity and malnutrition. According to a recent study by the International Food Policy Research Institute (IFPRI), ‘Yemen’s food insecurity is alarming and extremely alarming at macro- and micro-levels, respectively’ (Maystadt et al. 2012:14). Currently ranked as the 11th most food-insecure country in the world with one in three Yemenis suffering from acute hunger, the country is a net importer of food commodities (more than 75% of the consumed basic food staples, such as cereals, are imported). In the period 2001-2007, Yemen’s annual food import bill increased from US\$104 million to US\$ 600 million (EU 2009b:1); in 2000, the country used 10% of its export earnings to import food, which rose to 25% by 2007 (IFPRI 2011:2).

Chronic food insecurity severely affects children under the age of five, ‘with 53% of stunting (chronic malnutrition), 12% of wasting (acute malnutrition) and 46% of underweight’ (EU 2009a:1). ‘The problem is magnified in rural areas, where 37 percent of the population is food insecure, compared with 18 percent in urban areas. Of Yemen’s 7.5 million food insecure people, 6.4 million live in rural areas. Rural food insecurity is highest among non-farm households, which are home to more than half of Yemen’s food insecure. The proportion of food-insecure people in rural areas is lowest for farm households, but it is still more than 10 percentage points higher than that of the urban population (IFPRI 2011:2).

Food insecurity has also been identified as a significant driver of violent conflict in Yemen, as well as other Arab countries (Maystadt et al. 2012). Preceded by riots in southern parts of Yemen that were triggered by large global food price hikes in 2007-2008, violence became more acute in 2011-2012, when the ‘Arab Spring’ protests reached Yemen. ‘The nature of violence in Yemen has changed between 2005 and 2011 from being ethnically and religiously based to being dominated by the effects of increases in food process on an impoverished population’ (Gros et al. 2012:2). Though the protests ultimately forced President Ali Abdullah Saleh, who had been in power since 1990, to resign from office, the patronage-based, rather informal-traditional and malleable nature of the political regime and state he created has remained essentially unchanged.

Tackling the severe problem of food insecurity – and by implication the risk of further outbreaks of violence and political instability - has become a priority of the Yemeni government and international donors. The European Union and other international donors foresee major threats to the country's food security in the medium to long term. With international support (offered by the EU, GIZ, the World Bank and IFPRI), the government of Yemen has drawn up a National Food Security Strategy (NFSS), the implementation of which, however, is witnessing a slow start and there appears to be limited commitment to the strategy among some government and state sectors (GFA 2013). The NFSS contains a 7-point action plan, comprising: reforming petroleum subsidies; improving the business climate; reducing qat production and consumption; improving food security risk management; implementing the water-sector strategy; targeting public investment and improving service provision; and launching high-level awareness campaigns (IFPRI 2011).

Alongside other donors, Germany has supported efforts to increase food security in Yemen. In 2008, GIZ was commissioned by BMZ to implement the 4-year, EUR 7 million 'Sustainable Food Security Programme in Yemen (SFSP)'. We have chosen this program as our Yemen case study for addressing the issue of 'what works for rural development in fragile settings' because it is an interesting example of an intervention in fragile and highly food-insecure rural contexts that evolved from being development-focused to being emergency-focused. SFSP was originally oriented toward tackling food insecurity in two pilot regions in the Al Hodeidah and Hadjja governorates through measures focused on strengthening national food security policy capacity, and increasing food production and awareness about the negative consequences of qat consumption in the target regions, with an additional 'emergency funding' component bolted on in 2010 (the funds for which - EUR 2.5 million - were drawn from a separate budget line) (GIZ 2011). Overtaken by the events in Yemen during the 'Arab Spring' in 2011, program activities were reduced to a minimum, with the program being redesigned for a second phase in 2012 focusing primarily on emergency cash-for-work (CFW) interventions in Al Hodeidah governorate.

'The first 34 months of programming were 'developmental' in focus, and the next 14 were more of 'short-term emergency type response to food insecurity' (GFA 2001a:3). That shift was a consequence to the Yemen uprising and subsequent political and economic crisis that had seriously curtailed Yemen's economy, and had stretched the daily food security of vulnerable and food-poor households' (GFA 2001a:3). The first phase of SFSP was implemented on the Yemeni side by the Ministry of Planning and International Cooperation (MOPIC) and the Ministry of Agriculture and Irrigation (MAI) and on the German side by GIZ, which subcontracted a substantial part of the German contribution to GFA, a German consulting company. As mentioned earlier, the program had three core components/objectives, not counting the added on 'emergency funding for 2010': 1) MOPIC is enabled to coordinate the development and implementation of a new food security strategy (the above-mentioned NFSS); 2) the production of food is increased; and 3) the local population is aware of the negative consequences of qat consumption (GIZ 2011:7).

'During the [second phase], SFSP designed and implemented 5 Cash-for-Work (CFW) measures and 1 seeds assistance measure. The central reason was to improve poor people's access to affordable food through CFW-based cash-transfer strategy, and assist subsistence farmers with staple seeds to increase food production from their lands, respectively. The CFW measures were designed in such a way to build assets to serve communities' food and livelihood needs in the long term also' (GFA 2012a:3). All measures during the second phase were executed through GIZ 'Direct Community Contracting' procedures, and as such did not formally involve the ministries at the central government level.

The available (and relatively sparse) program documentation and additional information obtained in an interview with a member of staff of the German implementing agency (GFA) provide some insights into why the first, more development-focused phase of the program appears to have been more of a challenge than the second, CFW-focused intervention. It should be noted, though, that output, outcome and impact data for the first phase were not available as we only had access to the report of a mid-term review conducted in early 2011 (GIZ 2011). Our reading of this report is that it focuses more on issues in relation to the theory of change and the

overall design of the program, and not on actual outputs and outcomes. For the second phase, there is some output data available but it is quite limited. This notwithstanding, we believe it is possible to make some comparative observations about what works and what does not work for food security interventions in fragile rural contexts.

Let us now turn first to what appears to have been the effect of the second, 'emergency' phase of SFSP on food security and rural livelihoods in Al Hodeidah governorate. Subsequently, we take a closer look at the factors that played an enabling role for the CFW interventions and those that made the more complex, development-oriented interventions in the first phase a more challenging undertaking.

Assessing the effects of the second, 'emergency' phase of SFSP on food security and rural livelihoods in the governorate of Al Hodeidah

According to the available Final Progress Report (FPR 2012) and the report of an impact monitoring mission (GFA 2012b), both of 2012, the second, 'emergency' phase of SFSP has achieved producing 'the deliverables that [it] was meant to – "put food into hungry stomachs"' (GFA 2012a:3). A number of outputs are cited, ranging from how many CFW days were generated by the program to how many households secured daily food over a ten-month period and what percentage of cash resources were transferred to food-insecure beneficiaries of the program. The report of the IMM provides a number of additional statistics on the positive effects of SFSP on how, for instance, beneficiary households improved their daily diets, consumed more regular meals and were able to repay pending debts. Further, 'most of the inputs - supplies, services, and technical expertise - were sourced from inside Hodeidah Governorate, in particular from the target districts themselves. For instance, (1) all of the labour, plants, fencing materials, and water for Madania sand dunes were localized, except the irrigation system which was procured from Hodeidah; (2) all of the stones, cement, sand, pebbles, and labour, for the two road projects and one irrigation canal were also sourced locally, including heavy machinery from the [Government of Yemen] Authorities of [the regional Tehama Development Authority, TDA] and [General

Corporation for Roads and Bridges, GCRB] based in the districts' (GFA 2012a:12).

It appears that the CFW interventions also contributed to the achievement of longer-term food and livelihood benefits of local communities due to the rehabilitation of a road, an irrigation canal and the stabilization of sand dunes. 'These assets have the ability to improve peoples' access to markets and their participation in those markets, increase food production and stabilize local food markets, increase peoples' access to education and information, reduce crop loss to wild sand storms, reduce health costs, and improve long-term health benefits' (GFA 2012a:3). In addition, the measures appear to have had a positive effect on reuniting a large number of families and rebuild community cohesion as 'prior to CFW measures, members from these families had migrated outside in search of food and income, but they returned to join their families and participated in CFW measures to earn their food and income' (GFA 2012a:3).

Explaining advances in, and limitations of, increasing food security and improving rural livelihoods in Al Hodeidah

To begin with, it is important to be clear about the differences in design and objectives of the interventions under SFSP in the first and second phase. As outlined above, the first phase was more complex and ambitious than the second one. It attempted to combine a component focused on enhancing the capacity within the central government of Yemen to design and coordinate the implementation of the NFSS with support to improved and enhanced agricultural and food production in the target areas and a campaign to build awareness about the negative effects of qat production and consumption on the livelihoods and well-being of rural communities. Fundamentally, SFSP in its first phase was designed to work with and through two government ministries, MOPIC and MAI. This turned out to be challenging for the following reasons.

Coordination and cooperation between SFSP and other international partners who were supporting MOPIC in the operationalization and institutionalization of the NFSS was limited, leading to information flow problems, the likely duplication of donor efforts and the overstretching of already weak human and

institutional capacities of the Yemeni sector ministries at the central and decentralized, governorate levels (GIZ 2011:11, 15). This situation appears to have been compounded by ‘conflicting interests within [MOPIC which] prevented the definition of clear cut responsibilities and the establishment of a food security secretariat in the ministry’ (GIZ 2011:18). These issues could also have been related to the fact that the development of the NFSS (with significant inputs from IFPRI) was ‘rather donor-driven’ and the strategy was not widely disseminated, especially at the level of the governorates. Consequently, there was little recognition of local ownership of the NFSS among sectors of the Yemeni government at the central and governorate levels (GIZ 2011:16; GFA 2013).

In addition, there were few incentives for ministry officials to cooperate fully with SFSP’s Program Management Unit in MOPIC for it was not clear what the benefits of such cooperation would be (GFA 2013). ‘The GFA team leader based in MOPIC had regular contact to part of the ministry’s management level but no permanent (full time) counterparts at the right working level. [...] Getting allocated a full time counterpart [...] seems to [have been] difficult [...] as ministries staff is not well paid and therefore not ready to engage in full time project activities without additional personal benefits’ (GIZ 2011:20). While there is less information available on components 2 and 3 of SFSP, it has been reported that cooperation between relevant partners and stakeholders across the different levels of government has also been challenging (GIZ 2011:14). Further, with respect to component 2 (‘increase in food production’) it turned out that the application and approval process for agricultural measures was time consuming, ‘especially [when] compared to similar measures under the “Emergency Funding 2010”’ (GIZ 2011:23).

In contrast to the first phase of SFSP, the CFW interventions during the second phase did not involve any formal cooperation between GIZ/GFA and the sector ministries of the Yemeni government. Rather the implementation modality was based on ‘direct community contracting’ and involved the creation of Social Development Committees (SDCs) in the target areas. It is noteworthy, however, that even though the central government was not the entry point for the program the German implementing

agency, GFA, communicated and interacted with government counterparts in Sana’a on a regular, though informal basis, keeping them informed about the CFW activities that were being carried out (GFA 2013). It appears that this was done in recognition of the fact that in a context characterized by the existence of intricate patronage networks and a ‘parallel state’, such as in Yemen, ‘it is only possible to work in Hodeidah or any other region of the country if one has good personal contacts at the central government level’ (GFA 2013).

The SDC’s were conceived as ‘single-purpose institutions’ (i.e. as implementing partners of the CFW activities) and created through local elections. GFA signed Local Subsidy Contracts with the SDCs. The available evidence suggests that membership of the SDCs was quite representative as they included local traditional and customary authorities and leaders, such as shaiks, and other community members with some level of schooling, ‘who are often more important and influential than the formal government institutions’ (GFA 2013).³ ‘SDCs were established through [a] democratic process [...] and then a series of capacity-and-institution building measures were planned and executed to strengthen their skills, knowledge and management abilities. Stakeholder coordination – between SFSP, SDCs and district authorities – was very intense and regular during the 10-month implementation. SDCs [enjoyed] excellent rapport and relations with the district authorities’ (GFA 2012a:8). ‘As SDCs were constituted from inside the target communities, they had full knowledge of every household [...] and were able to identify the right households (against the selection criteria) to participate in the CFW’ (GFA 2012a:15).

Essentially, the second phase of SFSP enabled the SDCs to purchase services from government institutions directly, which reflected more of a bottom-up than a top-down process and appears to have been quite effective. Local and regional government entities in the target areas in Hodeidah governorate had incentives to cooperate with the SDCs because they undertook work that was part of their own institutional mandate but for which they lacked the necessary funds. Further, some local officials were

³ However, it is unclear whether women were part of the SDCs and if so, what percentage of the SDC membership was female.

employed by GFA to participate in the CFW activities (GFA 2013). Among the issues that have been identified as needing more attention when working through community-based organizations, such as the SDCs, are adopting a more inclusive approach to 'ensure proper coordination mechanisms during planning, implementation, and management because some members in the communities felt that they were left out of the process. This may lead to a loss of accountability and ownership [...], thereby threatening the [...] sustainability of [the achieved] impacts'; and improving coordination with other relevant stakeholders, especially the central government's line ministries in the target region (GFA 2012b:13-14).

In sum, the available evidence suggests that in the Yemeni context - characterized by a high degree of fragility of the formal state, which coexists alongside intricate patronage networks structured along ethnic, tribal, religious and political lines – it can be less of a challenge to tackle major problems such as chronic food insecurity by 'working with the grain' at the local level, rather than seeking to operate with and through the formal state apparatus. Of course, the big drawback is that such interventions are localised in nature and not designed to address macro-level issues (as outlined in the NFSS), and there are also serious questions about their sustainability. Further, it is unclear whether the relatively effective CFW measures can be linked to a broader and longer-term rural development strategy and what form this should take.

2.4 Nepal

The decade-long violent conflict between the government of Nepal and a Maoist insurgency (1996-2006) 'claimed around 13,000 lives and displaced more than 200,000 Nepalis, generating a range of negative impacts on people's livelihoods in the process, including: declines in food production and food security; reductions in travel and the transport of goods; and destruction of local infrastructure.' (ODI 2012: vii). For instance, public sector expenditures on major infrastructure and agriculture declined from 6.5 percent of GDP in 1995 to 3.8 percent of GDP in 2005 while expenses on defence and general public services rose from 2.4 percent of GDP in 1995 to 4.0 percent of GDP in 2005 (ADB 2009: 5).

In 2006, large civil demonstrations forced a political change towards restoration of parliamentary rule, which had been suspended by the King a few years earlier, and a comprehensive peace agreement (ICAF 2011). This raised high expectations for the construction of better governance structures with enhanced public service provision. But progress of state-building has been slow and numerous crucial elements of the peace process could not yet be implemented due to political turmoil and deadlock at the central government level. The establishment of a new, democratically-elected interim government took about two years. The adoption and promulgation of the new constitution is still pending.

In the context of the absence of these necessary reforms, international donors have initiated several programmes to improve the situation for the population by implementing projects related to basic services such as health care, education as well as water and sanitation. Some progress has been made (ODI 2012). However, on the whole the quality of services across the country remains critically poor (DfID 2013) and the government has pledged to spend 'at least 20% of its allocated budget on the basic services sector' (ODI 2012: 29).

The situation remains especially severe in remote and previously insecure rural areas in both the mountains and the mid-Western regions (ICG 2008; ICAF 2011; DfID 2013). This is reflected in chronic poverty and low levels of educational attainment and employment. In rural areas chronic poverty is much higher than in urban ones (DfID 2013:6, 10). The poverty rates are correlated to educational attainment as well as employment status, suggesting that illiteracy and underemployment are severe in rural areas (DfID 2013). There are also deeply rooted gender, caste and ethno-religious inequalities. Yet many formal and informal institutions and policies are stubbornly exclusionary and most demands of the excluded remain unmet (DFID and WB 2010).

A main challenge constitutes the persistent lack of safe drinking water and sanitation leaving especially the vulnerable and socially excluded in rural areas at high health risk. Around 20 percent of the population in Nepal do not have access to safe drinking water and almost half of the population do not have access to proper

sanitation. 'Every day 16 million Nepalis (around 57 percent of the population) practice open defecation because they have no toilets, and only 41 percent of public and community schools in Nepal have toilet facilities. Of those, only one in four has separate toilets for female students' (OD, 2012: 36). Further the functionality of actual coverage is questionable. According to Devkota (2007) 92 percent of piped water supplies and 25 percent of tube wells are either out of operation or in need of repair and maintenance (ODI, 2012). This requires high investments by the government to restore and built up water and sanitation systems in order to minimise the health risk for citizens.

Starting in 1996, the World Bank has supported government efforts to improve rural water supply and sanitation. The First Rural Water Supply and Sanitation Project initiated by the World Bank was implemented in the period 1996-2003 with a total budget of US\$18.2 million (WB, 2013). This was followed by the Second Rural Water Supply and Sanitation Project, which incorporated the successful features and experience of the first project. The second phase had a total budget of US\$ 52.3 million and was finalized in August 2010.⁴

The 'Rural Water Supply and Sanitation Support Programme emphasizes the active participation of stakeholders at all levels to increase their feeling of ownership' (Prasain 2003:120). The overall objective of the project was two-fold: '(i) to improve RWSS [rural water supply and sanitation] sector institutional performance and mainstream the Fund Board approach in the Government's system [...], and (ii) support communities to form inclusive local water supply and sanitation user groups that can plan, implement, and operate drinking water and sanitation infrastructure that delivers sustainable health, hygiene and productivity benefits to rural households [...]' (WB 2013: 2).

Both objectives are fully consistent with the goals of the government's Rural Water Supply and Sanitation Sector Policy and Strategy of 2004, which aims at developing a uniform demand-driven model for service delivery corresponding to affordability and willingness to pay. The policy also aims at harmonizing approaches of donors, as well as setting a sector-

wide minimum cost sharing norm of 20 percent capital contribution from the community.⁵ It also entails the establishment of the Fund Board⁶ as a regular sector institution through an act of parliament. The second Rural Water Supply and Sanitation project paid particular attention to the inclusion of certain social groups, focusing in particular on the need and demand of lower caste, indigenous peoples, remote communities and women. Furthermore, the project improved on health and hygiene interventions by integrating hand washing, and other health and hygiene initiatives (WB 2013: 4).

Assessing the effects of the Second Rural Water Supply and Sanitation project on rural development in the project areas

According to the implementation completion and results report (2013), the project has had positive effects on improving rural water supply and sanitation of people in the project areas.⁷ In total 1.14 million people benefited from improved access to safe drinking water supply. This includes 53 percent of beneficiaries from marginalised groups. The project had a high impact on the economic empowerment and health of beneficiaries. For instance, the improved access to water saved time which was normally spent on fetching water: 'On average, households gained 2.1 hours per day as a result of not having to fetch water, and can now use the saved time for income-generating activities, self-improvement activities and social activities' (WB, 2013: 11). This has had a particularly positive effect on women's income generating activities as they traditionally hold the primary responsibility for water provision and consumption at household level. 'The percentage increase in the income of women who engaged

⁵ This could be reduced to 10 percent for the poor and disadvantaged groups (WB, 2013).

⁶ The Government of Nepal (GoN) established the Rural Water Supply and Sanitation Fund Development Board in 1996 to promote sustainable and cost effective demand-led rural water supply and sanitation. It operates through contracting local partners, so-called support organizations (SOs) including non-governmental and private organizations. The Board was institutionalised under a GoN Formation Order of the Development Board Act, which provided the necessary permanent legal status to the organization and was meant to ensure regular budget allocations and operational autonomy (WB, 2012). In practice this has not worked out very well for government budget allocations have been limited and most of the funds were provided by international donors. For more detail see below.

⁷ The project was implemented in numerous locations across Nepal.

⁴ US\$ 25.30 million was provided through credit lines and US\$27 million as a scale up grant.

in economic activities with the time saved stood at 24 percent' (WB 2013: 11). The project had a number of important features that helped facilitate and incentivize women's engagement in income-generating activities with the time saved, such as credit and savings facilities and a program for providing commercial credit facilities to women (WB 2013: 12,13). Other positive second order effects also indicate an increase in girls' school attendance as well as better child nutrition as women started growing their own vegetables (WB 2013).⁸

Furthermore, the prevalence of diarrheal disease among young children in the project area decreased from 78 to 14 percent. This indicated a positive impact on the health of beneficiaries. Especially women's health (e.g. backache) was improved as the need to carry water over long distances was reduced. Further health benefits were achieved through the improvement of hygiene conditions by constructing sanitation facilities. This enhanced, for example, the practice of hand washing from 32 percent to 93 percent. In total of 137,536 latrines were constructed benefiting 136,487 households in the project area, including 64,407 sanitary latrines funded. Raising awareness about hygiene and sanitation led to multiplier effects which resulted in the construction of an additional 72,080 latrines by the communities using their own resources. Hence, in total about 83 percent of households in the project areas now have sanitary latrines against a national average of 36 percent (WB 2013: 11).

The project has also had some positive effects on the capacity of sector organisations and service providers at the central and local levels. At the local level, the project focused on awareness raising and capacity building of user groups. It was expected to have 'an important longer term impact on the ability of the communities to come together for collective action and take charge of improving their livelihoods' (WB 2013: 13). At the central level, the sector ministry's capacity to carry out sector-wide M&E, has been improved. The project also influenced the development of the Rural Water Supply and Sanitation Sector Policy and Strategy of 2004, which establishes a common set of guidelines for all projects in the sector, and incorporates the main provisions of the Fund Board's approach. Furthermore, 'the Fund Board's model has been scaled up as part

of the project and has been substantially adopted by the DWSS (Department of Water Supply and Sewerage), DDCs (District Development Committees) and donors. Most RWSS (Rural Water Supply and Sanitation) providers now provide the basic service approach defined in the sector policy, including the formation of WSUCs (Water Supply and Sanitation Users Committee), and have adopted Fund Board's guidelines. A few RWSS providers, especially from the public sector, have adopted full community empowerment and implementation' (WB 2013: 11).

In sum, it appears that all project dimensions were achieved, although the implementation of the project was delayed significantly which led to the extension of the implementation period. This was mainly related to the violent insurgency which restricted the movement of people and hence material and goods. There were also strikes which delayed the transportation of non-local material. Delays also concerned the approval time of the project schemes by the Fund Board. This was related to the political instability that persisted until 2009 and the government's delay in appointing executive members to the Fund Board (WB 2013).

Other limitations of the projects relate to the empowerment of the rural population (Sharma 2001). While the project heavily focused on the implementation of the Fund Board approach with its main principle of active participation of stakeholders at all levels in order to increase ownership and sustainability of project efforts, the project did not pay enough attention to enhancing the institutional capacity and responsibility of local government. Only a few trainings took place in support of local government. A lack of engagement and advocacy towards devolution made rural development on the whole more difficult (Prasain 2003:116). The role of the beneficiaries in decision-making has remained limited to the operation and maintenance of water and sanitation facilities. Despite formal institutional changes such as the set up of the Fund Board, real empowerment of the people in rural areas remains challenged by the lack of decentralisation (ICG 2011). Furthermore, there are limitations with regard to the sustainability of the Fund Board as its functioning is dependent on the appropriate budget allocations. The government merely funds a small amount of the Fund Board's budget, while the bigger share relies on the

⁸ Anecdotal evidence from field visits (WB, 2013)

support provided by international donors. This raises questions of ownership and the national political interest in supporting public services in rural areas.

Explaining advances in, and limitations of, rural water and sanitation interventions in Nepal

The project adopts a ‘learning process approach’ (Korten 1980) and incorporates three main success factors: community orientation; long-term engagement; and learning circles. The project design accounts for community participation and community-based implementation as well as service delivery based on demand as key principles of the Fund Board approach. This accounts as key feature for withstanding the implementation challenges of operating in a conflict environment. ‘Even at the height of the insurgency, when most of the donor programs stopped or had to be significantly reduced, implementation under the project continued without interruption’ (WB 2013: 16).

The project duration encompasses different political situations such as violent conflict and post-conflict instability. The first project was initiated in 1996 and can be described as development phase. This was followed by the second rural water and sanitation project. As mentioned above, due to the political instability and violent context however ‘some delay in project implementation occurred because of the unstable political and security situation of the country, delay in the nomination of board members by the Fund Board resulting into late selection of the support organizations (SOs), such as local NGOs and private sector firms, and delay in scheme selection finalization, while cost overruns in the project occurred because of increased market price of the non-local materials.’ (WB 2013: 37). Therefore the project received additional financing and the scope of the project was restructured with a new and higher target. The project was extended two times and was finalised in August 2010.

The implementation of two subsequent rural water and sanitation projects has provided continuous and long-term support for the sector. Furthermore, it offered the opportunity to learn from earlier experiences and improve the project. ‘The RWSSP II, as a follow-on project, was able not only to address the implementation issues which affected the first project, but also to

experiment and pilot innovations. These innovations allowed the RWSS program to grow and evolve, and could not have been introduced under the first project, which focused on developing the foundations of the Fund Board’s delivery model’ (WB 2013: 16).

In sum, the learning process approach, which underpinned the project design, addressed some of the problems and limitations mentioned earlier. For instance, project delays were addressed by a certain degree of flexibility with regard to the time frame and funding modalities. The approach also supported community empowerment from a bottom up perspective. However, while the project focused attention on user group and community participation, the responsibilities and role of local government entities appears to have been insufficiently defined. The project included capacity building of some support organisations and service delivery agencies at the local level (WB 2013), but ultimately was hamstrung by the larger problem of centralisation of political power in Nepal (ICG 2011). Decentralisation could genuinely create an empowerment of people in rural areas, which is in line with the main goal of the Fund Board approach (Prasain 2003, Sharma 2001). Strengthening local government capacity in the water and sanitation sector would be an important step towards sustainable provision of public services in rural Nepal.

2.5 Bolivia

Under President Evo Morales Bolivia has witnessed significant shifts in the way the state is addressing the control and reduction of coca crops and the promotion of economic development in the country’s two main coca-growing regions, Yungas de la Paz (YDP) in the highlands and Chapare in central Bolivia close to the city of Cochabamba. Upon taking office in January 2006, Morales moved quickly to distance his administration from the eradication-focused and militarized US-supported counter-drug policies pursued by previous Bolivian governments, which in his then capacity as head of the six Chapare coca growing federations and leader of the Movement toward Socialism (MAS) he had strongly opposed.⁹ Instead of

⁹ It is noteworthy that in 2004, under the short-lived government of President Carlos Mesa, Morales and the president reached agreement on tolerating the cultivation of one cato (1,600 square metres) of coca per family in Chapare. In effect, this agreement represents the origin of the social

focusing on the forced eradication of ‘excess’ and illegal coca crops and the conditional promotion of alternative development in coca growing regions,¹⁰ the Morales government devised a strategy centred on the ‘social control’ of crops by farmers and coca grower federations.

Social coca control is complemented by a law enforcement component to fight drug-trafficking and – incipiently, at least – state support for sustainable and equitable economic development in coca growing regions, including infrastructure improvements and the provision of basic services like education and health care (Farthing and Kohl 2012:489; Youngers and Walsh 2010: 23). In contrast to previous, notably US-sponsored alternative development programs in Bolivia, nowadays development projects in coca growing regions are not anymore being made contingent on the prior eradication of coca crops (Addicks, Huebner-Schmid and Cabieses 2010:43). Rather, the direction of travel has been toward ‘development with coca’ (Farthing and Kohl 2010: 205) and, one should add, ‘with coca farmers and their powerful federations’.

This shift in policy on the coca issue has been part of a broader government agenda geared at strengthening the hand of Bolivia’s poor and indigenous populations; increasing public investment in social services and welfare provision in impoverished areas, including in rural hinterlands; asserting stronger control of the natural gas and mining industries vis-a-vis the transnational corporations operating in the country; and writing a new constitution establishing the Plurinational State of Bolivia and granting enhanced autonomies and rights to indigenous and marginalized populations, among others.

As examined in Study 1, the design and implementation of this broad pro-poor, pro-indigenous and pro-coca agenda was met with

significant resistance from Bolivia’s traditional elites and other constituencies that did not side with MAS, especially in the eastern and southern lowlands. It was also hamstrung and tested by the administrative inexperience of the Morales government, the general and historic weakness of Bolivia’s state institutions, including a weak rule of law, increasing drug-trafficking activity in the country, and the sheer magnitude of poverty and socioeconomic inequality among majority sectors of the population.

Adding to this difficult context, the Morales administration’s approach to addressing the coca issue has lacked a legal foundation. Law 1008 of 1988 – which stipulates that a maximum of 12,000 hectares of coca for cultural, traditional and medicinal purposes may be grown on small plots in delimited areas in YDP and Cochabamba province, while all other coca is either considered to be ‘in excess’ (Chapare) or illegal (all areas other than Chapare and YDP) and therefore subject to different modes of eradication – is still in effect; and the government’s cato policy (see below) essentially reflects its political and pragmatic decision to tolerate coca cultivation while working with farmers and their federations to control its spread and diversion to drug-trafficking. As will be discussed below, government efforts to foment economic development in coca growing regions have been up against a number of big challenges. However, it is important to recognize that since the mid-2000s public investment in infrastructure and economic development as well as social welfare has increased, in part due to a substantial rise in public revenue from hydrocarbon exports (selling at higher international prices), and the state has made some progress in extending its reach across the country and into rural areas (Visioni and Moore 2011: 33).

The government’s flagship program for addressing coca leaf production and its control has been the ‘Programa de apoyo al control social de la producción de hoja de coca’ (Support for Social Control of the Production of Coca Leaf Program – PACS). PACS is implemented by the national government together with the regional coca grower federations in the Chapare and YDP. The European Commission (EC) has contributed EUR 10 million and the Bolivian government some EUR 2 million. Operational since 2009, the program’s overarching aim is to ‘regulate the production of coca leaf in the

coca control policy that is being implemented since Morales took office in 2006.

¹⁰ According to Law 1008 of 1988, which is still in effect today (see below), there are three types of coca growing regions in Bolivia. One region in YDP where 12,000 hectares of coca can be grown legally for traditional, cultural and medicinal purposes; one region in Chapare where ‘excess’ coca is grown and which is categorized as a region ‘in transition’, with the ultimate aim being to end all coca growing there and achieve the switch of coca farmers to cultivating licit crops by means of ‘alternative development’ projects conditioned on the prior eradication of coca crops; and other areas in the country where coca is grown and which is deemed illegal and subject to eradication.

country through mechanisms of social control in an environment of peace, consultation, participation, democracy and full respect for human rights' (PACS s.d.). PACS's focus on farmer-led control of coca leaf production, voluntary eradication of crops that exceed a limited amount per family (one cato, which equals 1,600 m²), community-based monitoring of compliance and the coca grower federations' central enforcement role represents a clear departure from previous crop reduction policies. 'The new approach reverses decades of U.S.-financed policies focussed almost exclusively on military/police suppression and eradication that resulted in [...] human rights violations and harassment of the peasant farmers who grow coca leaf' (Farthing and Kohl 2012: 489).

PACS's central components are a geographic information system (SYSCOCA) to monitor coca cultivation and compliance with the agreed cultivation limit of one cato per family; communications and diffusion of information about social control; institutional strengthening of coca producer organizations; provision of infrastructure, equipment and technical assistance to allow producer organizations to carry out social control; biometric registration of coca farmers; registration and titling of coca producers' individual land; and increased interdiction of precursors, cocaine and other drugs (Youngers and Walsh 2010; Vioni and Moore 2011: 14-15). In essence, farmers are allowed to 'grow a limited amount of coca to ensure some basic income, while working with coca grower federations and units of the security forces to voluntarily reduce overall coca production' (Youngers and Walsh 2010: 23). This 'cooperative coca reduction strategy' (Ledebur and Youngers 2012: 5) is complemented by government projects to promote infrastructure and economic development in Bolivia's coca growing regions with the overarching aim to strengthen livelihoods and institutions, guarantee food security and 'improve the overall quality of life of the local population' (Ledebur and Youngers 2012:10).

For the purpose of this study it is important to distinguish between the aims of PACS, which are quite narrowly focused on controlling the cultivation of coca in Chapare and YDP and essentially seek to contribute to the government's drug policy goals, and the development aspects of government activity in

rural areas in the main coca growing regions. However, we posit that there are important linkages between the two areas of policy that are worthwhile exploring in order to address the question of what works for development in rural contexts characterized not only by state weakness, poverty and underdevelopment, but also by the particular difficulty of being the site of an illicit rural economy with linkages to the illegal international drug business.

Assessing the effects of 'development with coca' on rural livelihoods in Chapare

Information and data on rural development in the Chapare is generally patchy and hard to come by. The difficulty of assessing the effect of PACS and complementary development projects in the region is further compounded by the absence of baseline data; and there are complex issues of attribution that cannot be resolved within the scope of this study. These limitations notwithstanding, based on a review of Bolivian government and donor documents, reports prepared by NGOs, academic studies and information made available by the principal EC PACS program officer it is possible to present an account that provides a broad-brush picture of a number of key advances and limitations with respect to rural development in the Chapare since the mid-2000s.

Prior to the introduction of social coca control Chapare was the site of significant conflict and violence, involving the coca grower federations, the Bolivian state and its security forces, some international donors, and criminal drug-trafficking organizations. Local opposition to forced coca crop eradication and US-led and sponsored counter-drug policies translated into a severe deterioration in state-citizen relations in the region, contributing to increases in state authority, legitimacy and capacity deficits and undermining the chances of success of alternative development programs conditioned on coca crop eradication, especially the large USAID programs.

Since President Morales took office citizen-state relations in Chapare have improved significantly and conflict and violence have ceased almost entirely. This certainly is no small feat and should be seen as a key contribution to making development in the region possible and increasing its chances of success. In this vein, a 2011 mid-term evaluation report of PACS states

that there are a number of development projects underway in Chapare, some with financial support from the EC (e.g. through National Fund for Alternative Development – FONADAL; Sector Budget Support Programme for the National Integrated Development Plan with Coca - PAPS), but if the government's social coca control program were to fail these projects would be at risk too (Visioni and Moore 2011: 26). In other words, without strengthening the social control capacity of local coca farmers and federations, thereby providing them the opportunity to gain a relatively stable coca-based subsistence income, other development efforts in the region would likely not be successful and could run the risk of failing to achieve their goals.

There are indications that the government's cato policy has been relatively successful with respect to its specific goals, i.e. the control of coca leaf production (though not coca leaf diversion to drug-trafficking); it also seems to be having a positive effect not only on ensuring a relatively stable subsistence income for farmers, whose land has been titled, but also contributing to improved food security and allowing farmers to explore and invest in other income generating activities (Ledebur and Youngers 2012; Visioni and Moore 2011; Hansmann 2013). According to a senior EU cooperation official in La Paz, it is safe to assume that about 90 per cent of coca growing families in Chapare are at present complying with the cato limit (Hansmann 2013). Controlled and limited coca production has ensured a relatively high price for coca leaf; and farmers are enjoying more legal security due to the titling of their land as well as freedom from the repression that accompanied forced eradication in the past. It is estimated that a family generates approximately US\$ 2,400/year of gross income from one cato of coca, which is slightly above the national minimum income, though production costs of approximately 30 per cent have to be deducted (Hansmann 2013; Visioni and Moore 2011: 16-17). Relatively secure income from the cato allows farmers to experiment with other income generating activities that are presently supported by complementary economic development programs funded by FONADAL and PAPS.

The Morales government has reportedly been investing in social services and economic development to create jobs and foment higher incomes in the region; and it is providing

incentives for rice and corn production as a way to both reduce coca production and improve food security (Youngers and Walsh 2010: 26, 29). In addition to loans to plant rice and corn, the government is providing funds to coca farmers to diversify their crops. In effect, according to the UN Office on Drugs and Crime (UNODC) Chapare has witnessed not insignificant agricultural diversification since the mid-2000s (Ledebur and Youngers 2012: 10). In 2013, it was estimated that there are 25,000 hectares of banana plantations in the region, 12,000 hectares of palm heart and 5,000 hectares of pineapple. The area planted with coca has been reduced from some 9,500 hectares in 2009 to approximately 8,100 hectares in 2012 of which 2,000 hectares are located in the adjacent national parks and not in Chapare itself (Hansmann 2013). This means that coca is today only the third largest agricultural crop in the region, after banana and palm heart (Ledebur and Youngers 2012: 10).

In addition, banana exports to Argentina, where more than a million Bolivians live, have increased, farmers are investing more in new products like honey, coffee, chocolate and even cattle, and small scale businesses, such as marketing and transportation services, have multiplied (Ledebur and Youngers 2012: 10). It should be noted, however, that crop diversification in Chapare cannot solely be attributed to Bolivian government policy in the region. It goes back to a variety of bilateral and multilateral donor programs to support alternative development in Chapare in the 2000s, including programs financed by USAID, the Spanish cooperation agency and the EC (Hansmann 2013).

There is a sense among observers that crop and income diversification appears to have increased local incomes and overall quality of life among Chapare's farmers, though this impression is not backed by hard data (Ledebur and Youngers 2012). What appears to be undeniable is that crop diversification and the generation of alternative livelihoods are facing similar problems today under the new scheme of social control than they did in the past when development support was conditioned on coca eradication.

Chapare is still suffering from a lack of roads, technical assistance and markets; and almost no other crop can compete with coca in terms of income, ease of cultivation, and transportation (Farthing and Kohl 2012: 492). According to one estimate, some 60 per cent of coca leaf produced in the region is sold to criminal organizations linked into the illegal drug business (Visioni and Moore 2011). Further, pressures from farmers to expand the area of permitted coca are intense. Farmers complain that they cannot support their families solely on income from one cato (Farthing and Kohl 2012: 492). Long term success is not guaranteed but depends on economic development that includes expanding licit coca markets, diversifying agricultural production and improving rural infrastructure. An integrated multi-sector program for rural development in Chapare remains inexistent, in spite of the government's high-flying plans for 'integrated development with coca'.

In effect, PACS was originally supposed to be supported by an infrastructure program, but thus far this has not materialized; the program is insufficiently linked to, and coordinated with, development projects supported by FONADAL and PAPS. The latter difficulty is compounded by dysfunctional coordination and bureaucratic rivalries as well as diverging mandates with respect to the coca issue between two key involved state institutions, the Ministry of Rural Development and Land (Vice-ministry of Coca and Integrated Development) and the Interior Ministry (Vice-ministry of Social Defence). While the former focuses on issues related to development and governance in rural and coca-growing areas, the latter is above all concerned with achieving a reduction in coca crops through social control in accordance with the Morales administration's strategy to combat drug-trafficking (Visioni and Moore 2011: 16, 35).

Explaining advances in, and limitations of, 'development with coca' in Chapare

The crux of the matter appears to be that strong social organizations and coca farmer federations at the local and regional levels command significant authority and legitimacy, as well as the capacity to exert pressure on, and enforce compliance with the cato policy among, coca farmers. A close, almost organic relationship between Chapare farmers and the national government and fluid collaboration between the latter and local communities and organizations

have been key factors for the relative success of PACS in terms of controlling and reducing coca crops in the region. The departure from the eradication-focused, militarized and top-down governance of coca crop reduction that existed prior to the mid-2000s and the creation of a new form of governance based on a negotiated, consensual approach as well as strong local ownership of, and participation of cocalero communities and federations in, exercising control over the cultivation of coca brought an important measure of social peace and a reduction of conflict and violence to the region.

Arguably, the significant improvement in state-farmer/federation relations, the cessation of violent conflict over the coca issue and respect for human rights are necessary, if not sufficient, conditions for equitable and sustainable development in Chapare. This is reflected in the fact that agricultural crop and income diversification in the region has advanced, though there clearly are still significant limitations in this regard. Road infrastructure, markets and other agricultural and social services are in much need of being developed further. Income from crops and labour in the agricultural sector (on and off-farm) appear to have increased but there is a clear need for further expansion. Coca farmers and their families are acutely aware that they cannot subsist on one cato of coca alone, and that they need support from the central government for the generation of non-coca income. Although the Morales administration has devised two comprehensive plans for 'integrated development with coca' (Ministerio de Desarrollo Rural, Agropecuario y Medio Ambiente 2006; Ministerio de Desarrollo Rural y Tierras 2010), funding for development projects remains limited and is slow in forthcoming, and implementation is consequently lagging.

Further, the government has yet to make headway with expanding alternative licit uses of coca and advancing the industrialization of the coca leaf. Lacking coordination and bureaucratic rivalries between key state institutions mandated with fomenting rural development and overseeing social coca crop control and reduction has produced a situation in which the gains made on the coca control front and the 'pacification' of Chapare are not capitalized on sufficiently to advance equitable and sustainable development in the region. This represents nothing short of a huge lost opportunity and the

Bolivian government and its international partners should swiftly seek to remedy this situation. Such an effort will necessarily have to include creating a legislative and normative framework for social control of coca crops that applies across the country (Addicks, Huebner-Schmid and Cabieses 2010). Such a framework does not yet exist; Law 1008 is still in effect and social control of coca crops is part of political strategy and based on a concession by the

government vis-a-vis coca farmers and their federations in Chapare and YDP. For it to make a lasting contribution to development in Bolivia's coca growing regions Morales's cato and social control policy requires a legal foundation.

3. By way of conclusion: comparing rural development advances in fragile settings

In this study we have provided detailed accounts and assessments of rural development interventions in the period 2007-2012 in our five sample countries: Afghanistan, DRC, Yemen, Nepal and Bolivia. The selected projects and programs represent a range of interventions in terms of their aims, sector specificity, size, duration, the political, social and security contexts, and the domestic actors and international donors involved in their design and implementation. As such, they represent a spectrum of variation with respect to the central question of this study - that is, what works for rural development in fragile contexts - and can be usefully employed to arrive at the following comparative conclusions.

In assessing the merits of the various projects and programs it becomes apparent that substantial engagement and dialogue with local institutions and stakeholders, including traditional and customary ones, in project design and implementation is essential for achieving project goals in fragile settings. This helps address the state capacity and legitimacy deficits identified in Study I. We essentially concur with Pain and Sutton (2007) that 'more attention needs to be paid to connecting relief to agricultural rehabilitation and development through agricultural interventions which can only be enhanced through building up the capacities of, and relations between, key local,

NGO and state institutions, particularly those providing, facilitating, regulating and demanding agricultural services' (Pain and Sutton 2007: 186).

While formal and informal institutions at the local and regional levels matter a great deal for strengthening rural livelihoods, increasing and diversifying rural incomes as well as ensuring food security and addressing issues related to illicit rural economies,¹¹ due attention also needs to be paid to problems that might arise from the 'capture' of rural development projects by exclusionary or predatory interests that can be associated with informal, traditional and customary institutions. The cases of Afghanistan, DRC and Yemen show that this is a real risk. A focus on local institutions is laden with difficulties and uncertainties where informal, traditional and customary power-holders (which might include militia commanders and war lords with often violent agendas), are able to exercise comparatively unaccountable control. If these risks are not managed properly they can undermine state legitimacy.

¹¹ In this study we have analysed the challenges of rural development in the illicit drugs context in the Chapare region of Bolivia. Another case would be the illicit opium poppy economy in several regions of Afghanistan.

Yet international donors will have to assume and navigate this risk carefully because in the absence of a more effective and legitimate central and formal state and in the context of emergency and crisis situations there are no ready alternatives to working closely with local counterparts and institutions, including traditional and customary ones. The evidence shows that the establishment of 'modern' forms of local governance, such as CDCs in Afghanistan and SDCs in Yemen, through elections can help to strengthen demand for rural development and food security projects among the target populations and thereby increase a sense of ownership among them. However, there is clearly also the risk that these newly introduced forms of local governance are not fully representative (or indeed just a reflection of, and captured by, the existing traditional and customary institutions and powerholders), sustainable, and able to galvanize collective action among a broad range of local stakeholders that would address difficult and contested issues, such as access to land, water and markets.

For both donors and governments alike this necessitates something of a 'working with the grain' reorientation because of the lack of viable alternatives, where a greater emphasis is placed on local interaction and a multi-level governance-oriented approach rather than seeing the state, especially at the central level, as the principle agent and counterpart. The Yemen case discussed in the study bears this out, for instance. The evidence indicates that the highly fragile formal state coexists alongside intricate and arguably much stronger and more legitimate patronage networks which are structured along ethnic, tribal, religious and political lines. The difficulty is that such interventions become far too localised in nature and are clearly limited in addressing macro-level issues (as outlined in the NFSS), with serious questions also remaining about their sustainability.

It also seems clear that an agricultural-technologies-input-only approach, i.e. the 'seed and tools' interventions discussed in relation to Afghanistan, is likely to simply consolidate existing relationships of power and patronage where benefits will be accrued and captured mainly by local elites. The Afghanistan example shows food security improvements were only made possible by investing in these institutional relationships through initial dialogue, the instigation of improved production techniques,

and then through focusing on the marketing networks of the poorest households via these institutions. Our discussion of the Nepal case also underlines the importance of focusing interventions on the most vulnerable households, including those that form part of lower castes and indigenous peoples but also women and populations living in very remote areas. This helps address existing state capacity and legitimacy deficits. Moreover, a key goal of interventions in fragile settings should be to provide effective support for the diversification of the income of rural families because in many instances the rural poor do not have access to land or legally own land. This can contribute to tackling pervasive rural poverty and reducing historical social inequalities between rural and urban areas, which are conditioned by, and related to, deficits in state authority and capacity, and which are undermine state legitimacy.

Depending on the specific country circumstances, our analysis shows that in situations of acute emergency, food insecurity and humanitarian crisis it may be advisable to transition more development-focused interventions in rural areas to emergency and relief programming. The case of Yemen reveals that in such situations 'doing less and doing it quickly is doing more'. However, policy-makers need to be aware that emergency measures such as the Cash-for-Work projects in Yemen can have some positive and even longer-term effects on rural development in food insecure settings (basically through the provision and rehabilitation of physical rehabilitation in the intervention areas) but ultimately bypassing the (inoperative and/or overwhelmed) central government and state is not an effective long-term policy option as it ultimately would contribute to increasing deficits in state legitimacy and capacity. In this regard it cannot be overstated that rural development is a long-term process, as exemplified by the discussed rural water and sanitation programs in Nepal.

The right type of communicative environment and strategies is born out in several of our cases. An emphasis on fostering networks of dialogue and communication which build on emerging pro-poor social and political capital also needs to be viewed in conjunction with a stronger emphasis on participatory learning and more flexible project timescales. Both the Nepal and DRC examples discussed here illustrate this. The Nepal rural water and sanitation program, which

adopted a learning process approach, was flexible in its planning modalities and it supported community empowerment from a bottom up perspective. However, while the program focused attention on user group and community participation (which seems to have led to some positive results and outcomes) there have been problems with defining the role of local government, leading to serious questions over the quality of decentralisation in Nepal and the state's capacity more broadly. A similar theme is evident in the DRC. Here the livelihoods and rehabilitation project did its best to foster dialogue with all relevant stakeholders, paying particular attention to problems of social cohesion. However, the project recognisedp/. that the three year timescale of the project was too short, not allowing for a more flexible approach particularly given the destabilising nature of the conflict in the Kivu region.

In respect to rural development in illicit drugs contexts, the Bolivian coca farming case shows that relative, though to some degree mixed progress has been achieved through building on the newly enhanced political and social capital of indigenous farmer federations who command significant authority and legitimacy at both the local and regional level. As we have indicated, the fluid collaboration between Chapare farmers and national and local government has been key to the achieving PACS's goals in terms of controlling and reducing coca crops in the region. In essence, this has meant a change from the eradication-focused, militarized and top-down governance of coca crop reduction that had existed prior to the mid-2000s, creating a new form of governance based on a negotiated, consensual approach with strong local ownership of, and participation of, cocalero communities

and federations in exerting control over the cultivation of coca. This helped enable an environment through which social peace and the reduction of conflict and violence could be fomented in the region. However, the social control of coca crops appears to be a necessary but on its own insufficient condition to strengthen rural development in the Chapare. While agricultural crop and income diversification has advanced, significant limitations persist in this regard. Road infrastructure, markets and other agricultural and social services need to be developed further.

Finally, our analysis shows that it is important to reiterate what has already been said many times before: the overall institutional, political, security and infrastructure context matters for rural development in fragile settings. Unsurprisingly, the chances to strengthen rural livelihoods and increase and diversify agricultural production and rural income are higher in contexts where rural populations are less exposed to security threats (by the state and non-state armed actors, but sometimes also international intervention forces), where there is better physical infrastructure and access to markets, where the fundamental rights of rural citizens are better protected, and where political instability or deadlock at the national level does not undermine development prospects in rural areas. While rural development interventions cannot change the broader environment in which they are operating, they can and should adjust to the context and contribute to reducing deficits in state legitimacy and capacity in rural areas, as outlined above.

References

Afghanistan

Christoplas, I. (2007), 'Narratives of rehabilitation in Afghan agricultural interventions', in Pain, A. and Sutton, J (eds.) (2007), *Reconstructing Agriculture in Afghanistan* (Rugby: FAO and Practical Action Publishing), pp. 165-188.

Food and Agriculture Organization of the United Nations (2008), Project Document 'Small Farmer Livelihoods and Income Enhancement in Baghlan Province'.

- Food and Agriculture Organization of the United Nations/Office of Evaluation (2013), 'Small Farmer Livelihoods and Income Enhancement in Baghlan Province, Afghanistan – GCP/AFG/053/GER', Final Report.
- Grace, J. and Pain, A. (2004), 'Rethinking Rural Livelihoods in Afghanistan', Afghanistan Research and Evaluation Unit, Kabul.
- Pain, A. (2007), 'Afghanistan: The context', in Pain, A. and Sutton, J (eds.) (2007), *Reconstructing Agriculture in Afghanistan* (Rugby: FAO and Practical Action Publishing), pp. 11-28.
- Pain, A. and Sutton, J. (2007), Introduction: Reconstructing Agriculture in Afghanistan', in Pain, A. and Sutton, J (eds.) (2007), *Reconstructing Agriculture in Afghanistan* (Rugby: FAO and Practical Action Publishing), pp. 1-9.
- Pain, A. and Sutton, J (eds.) (2007), 'Reconstructing Agriculture in Afghanistan' (Rugby: FAO and Practical Action Publishing).
- Torell, G. and Ward, F. (2010), 'Improved Water Institutions for Food Security and Rural Livelihoods in Afghanistan's Balkh River Basin', *Water Resources Development*, vol. 26, no. 4, pp. 615-640.
- DRC
- GIZ (2013), Control Mission Evaluation.
- FAO (2013), Country Profile: Democratic Republic of Congo
- IMF (2013), Democratic Republic of the Congo: Poverty Reduction Strategy Paper
- Yemen
- EU (2009a), 'Action Fiche for Food Security in Yemen 2009. Food Security Programme for Yemen 2009'.
- EU (2009b), 'Action Fiche for Yemen Annual Action Programme 2009. Yemen Food Security Support Programme 2009'.
- GFA (2013), Phone interview with GFA member of staff, 29 October 2013.
- GFA (2012a), 'Final Progress Report. GIZ Sustainable Food Security Programme (SFS) Yemen', Hodeidah.
- GFA (2012b), 'Impact Monitoring Mission Report. GIZ Sustainable Food Security Programme (SFS) Yemen', Hodeidah.
- GIZ (2011), 'PPR Report: Sustainable Improvement of Food Security in Yemen (SIFSP)'.
- Gros, A., Gard-Murray, A. and Bar-Yam, Y. (2012), 'Conflict in Yemen: From Ethnic Fighting to Food Riots' (Cambridge MA: New England Complex Systems Institute).
- IFPRI (2011), 'Yemen National Food Security Strategy. Overview and Action Plan' (Washington D.C.: IFPRI).
- Maystadt, J.-F., Trinh-Tan, J.-F. and Breisinger, C. (2012), 'Does Food Security Matter for Transition in Arab Countries?' (Washington D.C.: IFPRI).
- Republic of Yemen/MOPIC (2011), 'Food Security Baseline Survey 2010. Governorate of Al Hodeidah'.
- Nepal
- Asian Development Bank, ADB, DFID and ILO (2009). Country Diagnostics Studies. Highlights. Nepal: Critical Development Constraints
- Department for International Development, DFID (2013). Regional Dimension of Poverty and Vulnerability in Nepal.
- DFID and World Bank (2010). Unequal Citizens. Gender, Caste and Ethnic Exclusion in Nepal
- ICAF, US Department of State and USAID (2011). Nepal. ICAF Report.
- International Crisis Group, ICG (2008). Nepal's New Political Landscape Crisis Group Asia Report N°156, 3 July 2008

- International Crisis Group, ICG (2011). Nepal: Identity Politics and Federalism. Asia Report N°199 – 13 January 2011
- Korten, D. C. (1980). Community Organization and Rural Development: A Learning Process Approach. Public Administration Review, Vol. 40, 5, pp. 480-511
- ODI, (2012). Livelihoods, basic services and social protection in Nepal. Working Paper 7
- Prasain, J.N. (2003). Development of water supply and sanitation facility in the rural areas of Nepal: An overview. Occasional Papers in Sociology and Anthropology Vol.8 2003 p.105-127
- Sharma, S.(2001). Procuring Water, Foreign Aid and Rural Water Supply in Nepal, Nepal Waters Conservation Foundation, Kathmandu, Nepal.
- World Bank, WB (2013). Implementation Completion and Results Report (IDA-39110 and IDA-H3690). Report No: ICR1565, February 25, 2013
- Bolivia
- Addicks, G., Huebner-Schmid, K. And Cabieses, H. (2010), Estudio de la intervención de la Unión Europea en la política sectorial de desarrollo integral y de coca en Bolivia (1998-2010). Informe Final, Eschborn: GTZ International Services.
- Farthing, L. and Kohl, B. (2012), “Supply-side harm reduction strategies: Bolivia’s experiment with social control”, International Journal of Drug Policy, 23, pp. 488-494.
- Farthing, L. and Kohl, B. (2010), “Social Control: Bolivia’s New Approach to Coca reduction”, Latin American Perspectives, 37, pp. 197-213.
- Hansmann, N. (2013), Email communications with Markus Schultze-Kraft, 3-4 October.
- Ledebur, K. and Youngers, C. (2012), Bolivian Drug Control Efforts: Genuine Progress, Daunting Challenges (Washington, D.C.: WOLA).
- Ministerio de Desarrollo Rural y Tierras (2010), Plan nacional de desarrollo integral con coca 2011-2015, La Paz.
- Ministerio de Desarrollo Rural, Agropecuario y Medio Ambiente (2006), Plan nacional de desarrollo integral con coca, La Paz.
- PACS, Programa de Apoyo al Control Social de la Producción de Hoja de Coca. Un compromiso de todos (s.d.), Program information leaflet.
- Visioni, A. and Moore, D. (2011), Revisión de medio término: Diseño e implementación de un mecanismo de control social para la racionalización del cultivo de hoja de coca. Informe final, La Paz: Delegación de la Unión Europea.
- Youngers, C. and Walsh, J. (2010), Development First. A more humane and promising approach to reducing cultivation of crops for illicit markets (Washington D.C.: WOLA).

About the authors

Markus Schultze-Kraft

In the past 15 years Dr Schultze-Kraft has worked extensively on conflict prevention and resolution, peace and state-building, security system reform (SSR), disarmament,

demobilization and reintegration (DDR), transitional justice, illegality and organized crime, human rights, and stabilization in fragile and conflict-affected settings. In his capacity as a

doctoral researcher, university lecturer (Los Andes University, Colombia) and senior International Crisis Group and UN human rights official, he was based in Latin America for many years.

Markus's published work includes a book on comparative conflict resolution and the restructuring of civil-military relations in Central America, numerous book chapters and scholarly and policy articles on a range of political, social and policy issues, as well as some thirty Crisis Group and IDS policy and evidence reports.

Working at the Crisis Group and the UN Human Rights Office in Colombia, Markus gained broad policy advocacy experience at a senior level across the Americas and Europe. He has regularly lectured and presented briefings on diverse conflict prevention and resolution topics, including at UN Headquarters in New York, the European Commission, the foreign ministries of Brazil, Canada, Colombia, Germany, Norway and the U.S., The UK's House of Lords, the Inter-American Dialogue and Friedrich-Ebert-Foundation. Markus's current work at IDS focuses on state fragility, violence and violence mitigation, political settlements, transnational organized crime, drug policy, the rule of law, security, and (global) governance in Latin America, West Africa and the Western Balkans. He teaches the module 'The Governance of Violent Conflict and (In)security' in the IDS MA Governance and Development and also lectures on democracy and conflict, global governance, globalization and state fragility.

Markus holds a D.Phil. in Politics and an M.Phil. in Latin American Studies from the University of Oxford and an M.A. (Diplom) in Political Science from the Free University Berlin. He joined IDS in October 2010.

Martin Rew

Dr. Martin Rew is a social anthropologist, who has specialised in social and rural development/rural livelihoods over nearly twenty years, particularly in India. He led the DFID Orissa Drivers of Change team in India (2005-06), developing the use of political anthropology methods and concepts to analyse political and social change in the state, including analyses of the political economy of forestry, mining and land reform. He has undertaken extensive livelihood studies in the marginal rural areas of eastern India, as well as detailed multi-methodological assessments of elected local government in Orissa and Jharkhand and its effect on rural livelihood development.

More recently, over the past five years, his work has concentrated on Indian State and social movement responses to violence against women, as well as on DFID sponsored research on the relationships between religions and development in India and Tanzania.

Dr. Rew undertook his PhD on rural livelihood dynamics and caste inequalities in Orissa, at the University of Cambridge. He has published widely on rural livelihoods and poverty, violence against women, and religion and development.

Maria Kuss

Maria Klara Kuss is a Research Officer at the Institute of Development Studies (IDS). With an academic background in social work and governance, her research interests bridge the fields of social and political science and focus, in particular, on understanding state-society relations in sub-Saharan Africa. Both as a practitioner and academic she has strong expertise in international development, governance, social policy/social protection and gender mainstreaming. Maria conducts interdisciplinary, policy-relevant research, gender analysis, policy analysis and impact assessments.

Acknowledgements

The authors wish to thank Daniel Brombacher and Nadine Guenther for their insightful comments on previous versions of this study. Maria Kuss and Patrick Illien provided excellent

research assistance. The authors are solely responsible for any faults in interpretation and errors of fact the reader might encounter.

Published by
Deutsche Gesellschaft für
Internationale Zusammenarbeit (GIZ) GmbH

Registered offices
Bonn und Eschborn,
Germany

Sector project Rural Development
Dag-Hammarskjöld-Weg 1-5
65760 Eschborn
Germany
Tel. +49 (0) 6196 79 - 6465
Fax +49 (0) 6196 7980 - 6465

Rural.development@giz.de
www.giz.de

Edited by
Markus Schultze-Kraft, Martin Rew and Maria Kuss

Photo credits
© GIZ / Thomas Kelly

As at
May 2014

GIZ is responsible for the content of this publication.

On behalf of
Federal Ministry for Economic Cooperation and Development (BMZ),
Special Unit "One World, No Hunger"

Addresses of the BMZ offices

BMZ Bonn
Dahlmannstraße 4
53113 Bonn
Germany
Tel. +49 (0) 228 99 535 - 0
Fax +49 (0) 228 99 535 - 3500

BMZ Berlin
Stresemannstraße 94
10963 Berlin
Germany
Tel. +49 (0) 30 18 535 - 0
Fax +49 (0) 30 18 535 - 2501

poststelle@bmz.bund.de
www.bmz.de